

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
INBOUND COMPETITIVE MULTI-SERVICE AGREEMENTS WITH
FOREIGN POSTAL OPERATORS
UNITED STATES POSTAL SERVICE CONTRACTUAL BILATERAL
AGREEMENT – FY20-1 (MC2010-34)
NEGOTIATED SERVICE AGREEMENT

Docket No.
CP2020-144

**NOTICE OF UNITED STATES POSTAL SERVICE OF FILING
FUNCTIONALLY EQUIVALENT INBOUND COMPETITIVE MULTI-SERVICE
AGREEMENT WITH FOREIGN POSTAL OPERATOR – FY20-1**
(May 21, 2020)

In accordance with 39 C.F.R. § 3035.105 and Order No. 546,¹ the United States Postal Service (Postal Service or USPS) hereby gives notice to the Postal Regulatory Commission (Commission or PRC) that the Postal Service entered into an Inbound Competitive Multi-Service Agreement with a Foreign Postal Operator (FPO).² Pursuant to 39 C.F.R. § 3035.105(a), a change in rates not of general applicability must be filed at least 15 days prior to their effective date; in this case, the rates will take effect on July 1, 2020, if favorably reviewed by the Commission. This Notice concerns the inbound portions of the competitive multi-product agreement entered into between the Postal Service and a FPO (referred to as the “FPO-USPS Agreement FY20-1”) that the Postal Service seeks to include within the Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 (MC2010-34) product.

Prices and classifications for competitive products not of general applicability for

¹ PRC Order No. 546, Order Adding Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 to the Competitive Product List and Approving Included Agreement, Docket Nos. MC2010-34 and CP2010-95, September 29, 2010.

² The Postal Service considers the identity of the FPO to be sensitive commercial information and, therefore, does not disclose this information in this Notice.

Inbound Competitive Multi-Service Agreements with Foreign Postal Operators were previously established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-published Competitive Rates (Governors' Decision No. 19-1), issued on February 7, 2019. This Decision authorized rates for, among other things, "Inbound International Competitive Agreements" that "consist of negotiated service agreements with foreign postal operators ... that are categorized as competitive in accordance with 39 U.S.C. § 3642(b)(1)-(2)."

In Order No. 546, the Commission determined that the bilateral agreement presented by the Postal Service in Docket No. CP2010-95 (hereinafter "CP2010-95 Agreement") should be included in the Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 product.³ In this Order, the Commission also acknowledged that the Postal Service proposed "that additional agreements functionally equivalent to the [CP2010-95] Agreement be added to the competitive product list as price categories under the Competitive Multi-Service Agreements product."⁴ Moreover, in Order No. 840, the Commission accepted the Postal Service's designation of the CP2010-95 Agreement "as the baseline agreement for functional equivalency analyses of the Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 product."⁵

³ PRC Order No. 546, at 8-10.

⁴ PRC Order No. 546, at 4.

⁵ PRC Order No. 840, Order Concerning an Additional Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 Negotiated Service Agreement, Docket No. CP2011-69, September 7, 2011, at 5.

The FPO-USPS Agreement FY20-1 is functionally equivalent to the baseline agreement filed in Docket No. MC2010-34 because the terms of this agreement are similar in scope and purpose to the terms of the CP2010-95 Agreement. Although there are variations between these two agreements, the agreements share many terms and clauses in common. Accordingly, the Postal Service requests that the Commission include the FPO-USPS Agreement FY20-1 within the Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-34) product.

In addition, the Commission is familiar with the negotiation cycle and regulatory process associated with this type of multilateral agreement given that many bilateral and multilateral agreements, including those under the PRIME umbrella, are included in this product grouping. For instance, in Order Nos. 1088, 1934, 2963, and 4309, the Commission determined that bilateral agreements made with FPOs should be included in the Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-34) product.⁶ Similarly, in Order No. 5437, the Commission approved the Postal Service's request to transfer five negotiated service agreements (NSAs) from the Market Dominant product list of the Mail Classification Schedule (MCS) to the Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-34) product in the Competitive product list.⁷ These agreements consist of: Inbound Market

⁶ PRC Order No. 1088, Order Adding an Additional Bilateral Agreement to Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 Product, Docket No. CP2012-4, December 30, 2011, at 7; PRC Order No. 1934, Order Approving Additional Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement, Docket No. CP2014-13, December 30, 2013, at 6; PRC Order No. 2963, Order Approving Additional Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement, Docket No. CP2016-57, December 30, 2015, at 7; PRC Order No. 4309, Order Approving Additional Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement, Docket No. CP2018-96, December 28, 2017, at 7.

⁷ PRC Order No. 5437, Order Approving Transfer of Market Dominant Negotiated Service Agreements to the Competitive Product List, Docket No. MC2020-73, February 19, 2020, at 10-11.

Dominant Express Service Agreement 1, Inbound Market Dominant Registered Service Agreement 1, Inbound Market Dominant PRIME Tracked Service Agreement, and two bilateral agreements with FPOs.⁸

Notably, in this Order, the Commission cited to its previous determination in Order No. 4980 to conditionally transfer letter post small packets and bulky letters to the Competitive product list, and found that the five NSAs concern these same products or services, including tracking, delivery scanning, and registered service, related to these products.⁹ The Commission concluded that the transfer of these NSAs to the competitive product list is consistent with the statutory product classification definitions under 39 U.S.C. § 3642(b)(1).¹⁰ This further buttresses the Postal Service's request to also include the FPO-USPS Agreement FY20-1 within the Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-34) product.

Concurrent with this Notice, the Postal Service will file rates and supporting documents separately under seal with the Commission. The Postal Service requests that these rates and supporting documents remain confidential and includes an Application for Non-Public Treatment as Attachment 1 to this Notice. Additionally, the Postal Service attaches the following to this Notice: (1) Attachment 2 – a copy of the FPO-USPS Agreement FY20-1; (2) Attachment 3 – a copy of Governors' Decision No. 19-1; (3) Attachment 4 – a certified statement concerning the FPO-USPS Agreement FY20-1 that is required by 39 C.F.R. § 3035.105(c)(2); and (4) the supporting financial documentation as separate Excel files. Redacted copies, where appropriate, of these

⁸ *Id.*

⁹ *Id.* at 5-6; PRC Order No. 4980, Order Conditionally Approving Transfer, Docket No. MC2019-17, January 9, 2019, at 23.

¹⁰ PRC Order No. 5437, at 5.

documents are filed publicly, while unredacted versions are filed under seal for the Commission's review.

Identification of the Additional Inbound Competitive Multi-Service Agreement with Foreign Postal Operators

The Postal Service submits that, like the agreements between the Postal Service and other postal operator counterparties, the FPO-USPS Agreement FY20-1 fits within the current version of the MCS.¹¹

The FPO-USPS Agreement FY20-1 is intended to become effective on July 1, 2020 and would expire, unless terminated early, on December 31, 2021. The FPO exchanges mail with the Postal Service and applies the Universal Postal Convention and Universal Postal Convention Regulations to those exchanges, except as otherwise agreed to by contract. The competitive services offered by the Postal Service to the FPO in the FPO-USPS Agreement FY20-1 include rates for inbound parcels, packets, and EMS.¹² Many rates will be based on a per-piece and per-kilo structure and in Special Drawing Rights (SDRs).¹³

In this docket, the Postal Service presents only the inbound portions of the FPO-USPS Agreement FY20-1, which concern competitive products. The rates paid by the Postal Service to the FPO under the FPO-USPS Agreement FY20-1 for outbound delivery of competitive postal products within the FPO's country were not presented previously to the Commission and are not presented here. Those rates represent supplier costs to the Postal Service, which are built into the prices that the Postal

¹¹ See PRC, (Draft) Mail Classification Schedule, posted March 31, 2020, 2515.10 Inbound Competitive Multi-Service Agreements with Foreign Postal Operators, at 592-593, available at <http://www.prc.gov/mail-classification-schedule>.

¹² The inbound competitive rates that are the subject of this filing include the inbound rates appearing in Attachment 1 of the FPO-USPS Agreement FY20-1 (as shown in Attachment 2 to this Notice). See Attachment 2, at Attachment 1, pp. 2-3.

¹³ Attachment 2, at Attachment 1, pp. 2-3.

Service charges its shipping customers for outbound competitive products to be dispatched to, and delivered in, the FPO's country. An agreement concerning outbound competitive services with the FPO would no more need to be classified as a product or otherwise subjected to prior Commission review than would an agreement by the Postal Service to purchase trucking services from highway contractors or to purchase air transportation from air carriers.

Application for Non-public Treatment

The Postal Service maintains that the redacted portions of certain materials filed in this matter should remain confidential. Attachment 1 to this Notice is the Postal Service's application for non-public treatment of materials filed under seal in this docket. A full discussion of the required elements of the application appears in Attachment 1.

Functional Equivalency of Inbound Competitive Multi-Service Agreements with Foreign Postal Operators

The inbound portions of the FPO-USPS Agreement FY20-1 are materially similar to the inbound competitive portions of the baseline CP2010-95 Agreement with respect to products and cost characteristics. Similar to the CP2010-95 Agreement, the FPO-USPS Agreement FY20-1 fits within the parameters outlined in section 2515.10 of the MCS.¹⁴ There are, however, differences between the inbound portions of the FPO-USPS Agreement FY20-1 and the inbound competitive portions of the CP2010-95 Agreement, which include the following:¹⁵

¹⁴ PRC, (Draft) Mail Classification Schedule, posted March 31, 2020, 2515.10 Inbound Competitive Multi-Service Agreements with Foreign Postal Operators, at 592-593, available at <http://www.prc.gov/mail-classification-schedule>.

¹⁵ This comparison focuses on the differences between the sections of the FPO-USPS Agreement FY20-1 that concern inbound rates and the sections of the CP2010-95 Agreement that concern inbound competitive rates. The CP2010-95 Agreement included both inbound competitive and inbound market dominant portions, but the inbound portions of FPO-USPS Agreement FY20-1 are only competitive. See PRC Order No. 549, Order Adding Inbound Market Dominant Multi-Service Agreements With Foreign

- The beginning of the FPO-USPS Agreement FY20-1 has fewer introductory paragraphs, but includes an additional Article 1, Definitions.
- The following articles in the FPO-USPS Agreement FY20-1 resemble the articles with similar titles that appear in the CP2010-95 Agreement: Confidentiality (Article 12), Dispute Resolution Process (Article 14), Temporary Suspension of Service (Article 15), Assignment (Article 16), Conditions Precedent (Article 18), Effect of Partial Invalidity (Article 19), Notices (Article 20), Term (Article 21), Entire Agreement (Article 28), and Amendments to this Agreement (Article 29).
- The FPO-USPS Agreement FY20-1 has additional articles, such as the following: Quality of Service (Article 4), Rates (Article 5), Terms for the Delivery of EMS Items (Article 6), Terms for Electronic Advance Data Exchange (Article 7), Settlement Principles (Article 8), Transportation (Article 9), Audit (Article 10), Meetings (Article 11), Procedure Respecting USPS Postal Regulatory Commission Filings (Article 13), Waiver (Article 17), Termination (Article 22), Negotiated Commercial Arrangement (Article 23), Compliance with Applicable Laws when Operating in the Other Party's Country (Article 24), Application of the *Universal Postal Convention* (Article 25), and articles pertaining to other agreements (Articles 26-27).
- The inbound competitive rates and the explanatory terms included in Attachment 1 of the FPO-USPS Agreement FY20-1 concern negotiated

pricing for various inbound competitive products, including parcels, packets, and EMS.

- Furthermore, additional attachments, which provide greater specificity with respect to a number of competitive products, include the following: Scanning and On-Time Quality of Service Measurement and Pay-for-Performance (Attachment 2); Modified Agreement on the International Exchange of EMS Items between the U.S. Postal Service and FPO (Attachment 3); Advance Electronic Data Requirements (Attachment 4); Terms for Shared Transportation and Operations Initiatives (Attachment 5); Confidentiality Provisions (Attachment 6); Strategic Initiatives (Attachment 7); Agreement on the Settlement of Tracked Packets Between the U.S. Postal Service and FPO (Attachment 8); Customer Service (Attachment 9), and Importer of Record Number for Importers (Attachment 10).¹⁶

Because the FPO-USPS Agreement FY20-1 and the CP2010-95 Agreement incorporate the same cost attributes and methodology, the relevant cost and market characteristics are similar. The Postal Service does not consider that the specified differences affect either the fundamental services that the Postal Service is offering or the fundamental structure of the agreements. Therefore, nothing detracts from the conclusion that these agreements are “functionally equivalent in all pertinent respects.”¹⁷

¹⁶ As noted in footnote 2, the Postal Service considers the identity of the FPO to be sensitive commercial information and, therefore, does not disclose this information in this Notice.

¹⁷ PRC Order No. 85, Order Concerning Global Plus Negotiated Service Agreements, Docket No. CP2008-8, June 27, 2008, at 8.

Conclusion

For the reasons discussed, and as demonstrated by the financial data filed under seal, the Postal Service has established that the FPO-USPS Agreement FY20-1 is in compliance with the requirements of 39 U.S.C. § 3633 and is functionally equivalent to the inbound competitive portions of the CP2010-95 Agreement, which was included in the Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-34) product. Accordingly, the FPO-USPS Agreement FY20-1 should be added to the Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-34) product.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno

Chief Counsel

Global Business and Service Development

Mikhail Raykher

Attorney

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1101
(202) 268-4277
Mikhail.Raykher@usps.gov
May 21, 2020

ATTACHMENT 1

APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS

In accordance with 39 C.F.R. Part 3011, the United States Postal Service (Postal Service) hereby applies for non-public treatment of certain materials filed with the Postal Regulatory Commission (Commission). The materials pertain to the inbound competitive portions of the multi-product agreement entered into between the Postal Service and a Foreign Postal Operator (FPO) (referred to as the “FPO-USPS Agreement FY20-1”). The FPO-USPS Agreement FY20-1 and supporting documents are being filed separately under seal for the Commission’s review. Redacted copies, where appropriate, of these documents are filed publicly.

The Postal Service hereby furnishes below the justification for this application as required by 39 C.F.R. § 3011.201(b).

(1) The rationale for claiming that the materials are non-public, including the specific statutory provision(s) supporting the claim, and an explanation justifying application of the provision(s) to the materials.

The materials designated as non-public consist of information of a commercial nature, including Postal Service and third party business information that under good business practice would not be disclosed to the public. Based on its longstanding and deep familiarity with the postal and communications businesses and markets generally, and its knowledge of many firms, including competitors, mailers, and suppliers, the Postal Service does not believe that any commercial enterprise would voluntarily publish information pertaining to, among other things, the costs, volumes, revenues, rates, and markets for its competitive products. Rather, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. §

552(b)(3) and (4).¹ Because the portions of materials that the Postal Service is filing non-publicly in this docket fall within the scope of information not required to be publicly disclosed, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure and grant its application for their non-public treatment.

(2) A statement of whether the submitter, any person other than the submitter, or both have a proprietary interest in the information contained within the non-public materials, and the identification(s) specified in paragraphs (b)(2)(i) through (iii) of this section (whichever is applicable). For purposes of this paragraph, identification means the name, phone number, and email address of an individual.²

The Postal Service has a proprietary interest in the information contained within the non-public materials. The Postal Service believes that the only third party that has a proprietary interest in the materials submitted in this matter is the FPO that is the counterparty to the FPO-USPS Agreement FY20-1. Since the identity of this affected FPO is commercially sensitive information, the Postal Service proposes that a

¹ In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. See 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that “likely commercial injury” should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1 (Mar. 20, 2009), at 11.

² Section 3011.201(b)(2) further states the following:

(i) If the submitter has a proprietary interest in the information contained within the materials, identification of an individual designated by the submitter to accept actual notice of a motion related to the non-public materials or notice of the pendency of a subpoena or order requiring production of the materials.

(ii) If any person other than the submitter has proprietary interest in the information contained within the materials, identification of each person who is known to have a proprietary interest in the information. If such an identification is sensitive or impracticable, an explanation shall be provided along with the identification of an individual designated by the submitter to provide notice to each affected person.

(iii) If both the submitter and any person other than the submitter have a proprietary interest in the information contained within the non-public materials, identification in accordance with both paragraphs (b)(2)(i) and (ii) of this section shall be provided. The submitter may designate the same individual to fulfill the requirements of paragraphs (b)(2)(i) and (ii) of this section.

designated Postal Service employee serve as the point of contact for any notices to this FPO. The Postal Service identifies as an appropriate contact person Robert Raines, Managing Director, Global Business. Mr. Raines' phone number is (202) 268-2978, and his email address is robert.h.rainesjr@usps.gov.

The Postal Service also hereby provides notice that it has already informed the FPO that is the counterparty to the FPO-USPS Agreement FY20-1, in compliance with 39 C.F.R. § 3011.200(b), of the nature and scope of this filing and its right to address its confidentiality concerns directly with the Commission. Additionally, Article 13 of the FPO-USPS Agreement FY20-1 provides the FPO with notice of the Postal Service's intent to file this agreement with the Commission and the Postal Service's intent to seek non-public treatment of information related to this agreement that the Postal Service determines may be withheld from public disclosure. This Article provides the FPO with information about how to submit any confidentiality concerns directly to the Commission.

(3) A description of the information contained within the materials claimed to be non-public in a manner that, without revealing the information at issue, would allow the Commission to thoroughly evaluate the basis for the claim that the information contained within the materials are non-public.

In connection with the Notice filed in this docket, the Postal Service included redacted copies of the FPO-USPS Agreement FY20-1 (Attachment 2), Governors' Decision No. 19-1 (Attachment 3), the certified statement concerning the FPO-USPS Agreement FY20-1 that is required by 39 C.F.R. § 3035.105(c)(2) (Attachment 4), and supporting financial documentation files that the Postal Service used to generate specific rates for the counterparty FPO. These materials were filed under seal, with redacted copies filed publicly where appropriate. The Postal Service maintains that the

redacted portions of these materials should remain confidential as sensitive business information.

With regard to the redacted version of the FPO-USPS Agreement FY20-1 that was filed in this docket, the redactions withhold, among other things, the actual prices being offered between the Postal Service and the FPO, as well as business rules for operation and settlement, the particulars of financial performance incentives and assignments of liability, certain thresholds for eligibility for discounted services, customer service, Advance Electronic Data requirements, the specific products that the parties have agreed to make the focus of their collaborative development for their respective markets, and the FPO's identity as well as the information that, due to its context, would reveal the identity of the FPO. Similarly, the redactions to Attachment 4 to the Notice withhold the FPO's identity.

The Postal Service also redacted content on page two of Governors' Decision No. 19-1 and made redactions throughout the financial workpapers. These redactions protect sensitive commercial information concerning the incentive discounts, underlying costs and assumptions, negotiated pricing, applicable cost-coverage, and the non-published rates themselves. In addition, the redactions to the financial workpapers protect sensitive commercial information, including disaggregated revenue, cost, volume information which is country-specific, and the FPO's identity as well as the information that, due to its context, would reveal the identity of the FPO. To the extent practicable, the Postal Service has limited its redactions in the workpapers to the actual information it has determined to be exempt from disclosure under 5 U.S.C. § 552(b).

(4) Particular identification of the nature and extent of the harm alleged and the likelihood of each harm alleged to result from disclosure.

If the information the Postal Service determined to be protected from disclosure due to its commercially sensitive nature were to be disclosed publicly, the Postal Service considers it quite likely that it would suffer commercial harm. This information is commercially sensitive, and the Postal Service does not believe that it would be disclosed under good business practice. In this regard, the Postal Service is not aware of any business with which it competes (or in any other commercial enterprise), either within industries engaged in the carriage and delivery of materials and hard copy messages, or those engaged in communications generally, that would disclose publicly information and data of comparable nature and detail.

If the portions of the attachments that the Postal Service determined to be protected from disclosure due to their commercially sensitive nature were to be disclosed publicly, the Postal Service considers that it is quite likely that it would suffer commercial harm. FPOs that are not parties to the FPO-USPS Agreement FY20-1 could use the information to their advantage in negotiating the terms of their own future agreements with the Postal Service. Competitors could also use the information to assess the offers made by the Postal Service to the FPO that is the counterparty to the FPO-USPS Agreement FY20-1 for any possible comparative vulnerabilities and focus sales and marketing efforts on those areas, to the detriment of the Postal Service. If the areas in which the FPO that is the counterparty to the FPO-USPS Agreement FY20-1 and the Postal Service intend to collaboratively develop new products and services were to be disclosed publicly, their competitors could use this information to preemptively enter the market in those areas. The Postal Service considers these to be

highly probable outcomes that would result from public disclosure of the redacted material.

Governors' Decision No. 19-1 and the financial models contain sensitive commercial information including the Postal Service's desired cost coverage for the FPO-USPS Agreement FY20-1, specific rate information as well as disaggregated, country-specific revenue, cost, and volume information which are highly confidential in the business world. All of this information is highly confidential in the business world. If this information were to be made public, the Postal Service's competitors would have the advantage of knowing the range of prices agreed to between the Postal Service and the FPO that is the counterparty to the FPO-USPS Agreement FY20-1, as well as the contribution margin used to establish the prices. Other FPOs interested in entering into separate bilateral agreements with the Postal Service could demand the absolute floor during negotiations, when it would otherwise be possible in some cases for the Postal Service to charge a higher, but still competitive, rate.

Additionally, competitors would be able to take advantage of this information to offer lower pricing to their customers, while subsidizing any losses with profits from other customers. Eventually, this could impact the Postal Service's volume and revenue in the inbound competitive markets for the products and services included in the FPO-USPS Agreement FY20-1. Especially since the financial models are filed in their native format, the Postal Service believes that there is a great likelihood that the information would be used to the detriment of the Postal Service.

Moreover, the Postal Service's potential customers could also deduce from the rates provided in the FPO-USPS Agreement FY20-1 or from the information in the

financial workpapers whether additional margin for net contribution exists under the prices in the FPO-USPS Agreement FY20-1. The settlement charges between the Postal Service and the FPO that is the counterparty to the FPO-USPS Agreement FY20-1 constitute costs underlying the postal services offered to the FPO's customers, and disclosure of this cost basis would negatively impact the Postal Service's negotiations with contract customers by allowing these customers to negotiate, rightly or wrongly, on the basis of the Postal Service's perceived supplier costs. From this information, an FPO or customer could also attempt to negotiate ever-decreasing prices, such that the Postal Service's ability to negotiate competitive yet financially sound rates would be compromised. Even the FPO that is the counterparty to the FPO-USPS Agreement FY20-1 could use the information in the financial workpapers in an attempt to renegotiate the rates in this instrument in the future, or by threatening to terminate the FPO-USPS Agreement FY20-1.

Price information in the FPO-USPS Agreement FY20-1 and financial spreadsheets also includes the counterparty FPO's sensitive commercial information. Disclosure of such information could be used by the FPO's competitors to assess the FPO's underlying costs, and thereby develop a benchmark for the development of a competitive alternative. The FPO would also be exposed to the same risks as the Postal Service in customer negotiations based on the revelation of its supplier costs.

(5) At least one specific hypothetical, illustrative example of each alleged harm.

The following restates the harms discussed above and presents at least one hypothetical situation illustrating the consequences of disclosure.

Harm: Public disclosure of rates or other information in the redacted attachments and financial workpapers would be used by competitors and customers to the detriment of the Postal Service.

Hypothetical: A competing package delivery service obtains a copy of the unredacted version of the rates and financial workpapers from the Commission's website. It analyzes the data to determine what the Postal Service would have to charge the counterparty FPO in order for the Postal Service to meet its minimum statutory obligations for cost coverage and contribution to institutional costs. The competing package delivery service then sets its own rates for products to match the Postal Service's rates under the FPO-USPS Agreement FY20-1 or markets its ability to guarantee to beat the Postal Service on price for the products covered by the FPO-USPS Agreement FY20-1. By sustaining this below-market strategy for a relatively short period of time, the competitor, or all of the Postal Service's competitors acting in a likewise fashion, would freeze the Postal Service out of the market for these particular products.

Hypothetical: A FPO obtains a copy of the unredacted version of the rates and financial workpapers from the Commission's website and uses the rate information to demand the lowest possible rate for every product from the Postal Service knowing that the Postal Service's approved rates include those floor amounts. Using the rate information, the FPO could threaten that it would not use the Postal Service for its inbound international delivery service needs if it did not receive the lowest possible rates. This would severely affect the Postal Service's ability to offer competitive but profitable rates to FPOs within the minimum and maximum rates established by the Governors.

Hypothetical: Cost, contribution, and/or cost coverage information is released to the public and becomes available to a competitor. The competitor, which could be a FPO operating in the United States, assesses the profitability of certain services based on the data released. The competitor then targets its advertising and sales efforts at actual or potential customers in market segments where the Postal Service has substantial contribution, thereby hindering the Postal Service's ability to keep these customers' business.

Hypothetical: Cost, contribution, and/or cost coverage information is released to the public and becomes available to a supplier of materials, transportation, or other services. Suppliers are made aware of expected contribution margins by product and are better able to assess the relative strengths and weaknesses of the Postal Service's product lines. With this information, suppliers, including FPOs in the case of international products, decide to increase the rates they charge the Postal Service to provide transportation and/or other services or become more resistant to negotiating favorable prices for their goods and services.

Harm: Public disclosure of the information redacted from the FPO-USPS Agreement FY20-1 would provide competitors commercial advantages at the Postal Service's expense.

Hypothetical: A competitor is able to review certain clauses and sections in the FPO-USPS Agreement FY20-1 that concern such sensitive commercial information as settlement rates, business rules for operation and settlement, customer service, incentive structures, or Advance Electronic Data requirements. The competitor could take this information and use it to differentiate its own product from the Postal Service's

product when it sells to potential customers, including FPOs, and could convince those customers that the competitor's product is better.

Harm: Public disclosure of identifying information concerning the counterparty FPO to the FPO-USPS Agreement FY20-1 would give competitors a marketing advantage.

Hypothetical: A competitor is able to identify the counterparty FPO to the FPO-USPS Agreement FY20-1 from information provided on the PRC's website. The competitor uses this information to contact the FPO directly and attempt to undersell the Postal Service and obtain new business. The competitor could also use information included in the financial workpapers to "qualify" the counterparty FPO, choosing to focus marketing efforts only on this FPO if its mailing profile is attractive to the competitor, based on its business operations. In addition, considering that the Commission has now released the Postal Service's Universal Postal Union (UPU) default rates for E-format items into the public domain for certain flows, competitors would be able to assess which markets would be best suited for further targeted product initiatives and be armed with knowledge that the rates charged to the counterparty FPO in one of those markets would differ from those that the Commission publicly released. This would undermine the Postal Service's efforts to develop products and maintain its share in key markets.

Harm: FPOs could use the information in the financials to undermine the Postal Service's position in negotiations concerning bilateral or multilateral remuneration with the Postal Service.

Hypothetical: Disaggregated revenues, volumes, and weights are disclosed to the public. FPOs obtain the information and use it to their advantage in negotiating bilateral

or multilateral remuneration with the Postal Service. The disequilibrium in negotiating positions would be caused by the fact that the Postal Service's rates would be known in advance, thereby depriving the Postal Service of the ability to engage in simultaneous exchange of rates in bilateral or multilateral negotiations.

Harm: Public disclosure of information regarding the competitive domestic and international products would be used by competitors and customers to the detriment of the Postal Service.

Hypothetical: A competing package delivery service obtains a copy of the unredacted version of the non-public materials exposing rates, revenues, volumes, and weights from the Commission's website. It analyzes the data to determine what products and rates to offer in the competitive domestic and international markets in competition with the Postal Service, using data that would not ordinarily be available to competitors. Customers and potential customers could also use the data to negotiate better terms for themselves in contracts with the Postal Service or its competitors.

Harm: Public disclosure of rates or other information in the financial workpapers would be used by the counterparty FPO's competitors to its detriment, and to the Postal Service's detriment.

Hypothetical: A competing international delivery service obtains a copy of the unredacted version of the financial workpapers from the Commission's website. The competitor analyzes the workpapers to assess the counterparty FPO's underlying costs and volumes for the corresponding products. The competitor uses that information to assess the market potential and negotiate with U.S. customs brokers and freight companies to develop lower-cost alternatives. In addition, disclosure of the rate information relating to U.S. origin flows would disclose the underlying costs of the Postal

Service's outbound products, which in turn would significantly harm its ability to price freely in these marketplaces.

(6) The extent of protection from public disclosure deemed to be necessary.

The Postal Service maintains that the portions of the materials filed non-publicly should be withheld from persons involved in competitive decision-making in the relevant markets for competitive delivery products (including both private sector integrators and FPOs), as well as their consultants and attorneys. Additionally, the Postal Service believes that FPOs, as well as actual or potential customers of a postal operator for these or similar products should not be provided access to the non-public materials.

(7) The length of time for which non-public treatment is alleged to be necessary with justification thereof.

The Commission's regulations provide that non-public materials shall lose non-public status ten years after the date of filing with the Commission, unless otherwise provided by the Commission. 39 C.F.R. § 3011.401(a). However, because the Postal Service's relationships with customers and FPOs continue well beyond ten years, the Postal Service intends to oppose requests for disclosure of these materials pursuant to 39 C.F.R. § 3011.401(b-c).

(8) Any other factors or reasons relevant to support the application.

Rates for the delivery of competitive inbound packages are not normally available publicly. Rather, they are considered by postal operators to be commercially sensitive.

Conclusion

For the reasons discussed, the Postal Service respectfully requests that the Commission grant its application for non-public treatment of the identified materials.

**[REDACTED] – UNITED STATES
POSTAL SERVICE
CONTRACTUAL BILATERAL AGREEMENT**

BETWEEN

[REDACTED]

AND

THE UNITED STATES POSTAL SERVICE,
an independent establishment of the Executive
Branch of the United States Government
having its headquarters in the City of
Washington, District of Columbia

This Agreement governs the exchange, between [REDACTED] and the United States Postal Service, of the international products and services addressed in this Agreement (the "International Products and Services") and sets out quality objectives and standards as well as "Pay-for-Performance" incentives for meeting the prescribed quality standards.

NOW THEREFORE in consideration of the mutual covenants set out in this Agreement, [REDACTED] and the United States Postal Service agree as follows:

1. Definitions

In this Agreement, the following terms shall have the meanings set out below:

- (a) "Parties" means [REDACTED] and the United States Postal Service ("USPS").
- (b) [REDACTED] include any rates for items originating in [REDACTED] and delivered in the United States, as well as international business reply service, and such rates are classified as "market dominant" or "competitive" under the Mail Classification Schedule.
- (c) [REDACTED] include any rates for items originating in the United States and delivered in [REDACTED], as well as international business reply service.
- (d) "Commission" means the Postal Regulatory Commission and may also be referred to as the "PRC."

2. Purposes of this Agreement

The purposes of this Agreement are the following:

- (a) to foster the maintenance and further development of a mutually beneficial relationship on behalf of the Parties' respective customers;
- (b) to set out the principles and general terms and conditions that shall apply to the exchange of International Products and Services between the Parties; and
- (c) to set out the rates that will apply to the exchange of International Products and Services between the Parties.

3. Guiding Principles of the Agreement

(a) The Parties agree to work together to improve the quality of postal services between [REDACTED] and the United States in order to better serve the [REDACTED], within the scope of the services they currently provide or may provide during the term of this Agreement. In particular, the Parties agree to provide access to each other's operating networks and services in such a way that for each service provided, to the extent practicable:

- (i) excellence in quality of service performance will be attained and maintained;
- (ii) the flexibility required to meet changing market, regulatory, and logistical conditions will be supported;
- (iii) the costs to each Party of providing services will be minimized; and
- (iv) settlement and payment processes will be electronically-based to the extent practicable, with the objective being to make such processes efficient, timely, and specific to each particular service or type of service.

(b) Each Party agrees to commit the necessary resources to collaborate on product development, enhancements to current products, and specified value-added services required to meet the ever-evolving needs of their customers.

4. Quality of Service

In order to encourage commitment to achievement of high levels of on-time delivery performance and high levels of delivery confirmation scan performance, the Parties agree to continued on-time measurement systems and to Pay-for-Performance arrangements as set out in Attachment 2 – Scanning and On-Time Quality of Service Measurement and Pay-for-Performance.

5. Rates

(a) The Parties agree that for the Modified Agreement on the International Exchange of EMS Items between the U.S. Postal Service and [REDACTED] and any other services for which a specific agreement with its own terms and conditions is added to this Agreement as an attachment, any adjustments to the rates for the services shall be subject to the terms and conditions of the applicable attached specific agreement.

(b) Each Party agrees that for the services, other than those that are the subject of clause (a), that the other Party provides to it during each of the periods specified in Attachment 1, the first-mentioned Party shall pay the other Party the applicable rates specified in Attachment 1. If the rates are to be amended during the Term, the amendment must be made as an amendment to this Agreement.

6. Terms for the Delivery of EMS Items

Subject to Article 28, the terms and conditions for the delivery of EMS items shall be governed by the Modified Agreement on the International Exchange of EMS Items between the U.S. Postal Service and [REDACTED] which is Attachment 3 to this Agreement.

7. Terms for Electronic Advance Data Exchange

The requirements for the transmission of Advance Electronic Data are set out in Attachment 4.

8. Settlement Principles

(a) The Parties are committed to the settlement of accounts according to the following principles:

- (i) use of monthly billing, settlement and payment for streams of mail exchanged between the Parties using agreed-upon interim values where applicable;
- (ii) generation of independent bills of account for [REDACTED] mail based on the use of PREDES data;
- (iii) quarterly exchange of monthly sampling and preliminary weight data; and
- (iv) annual settlement of accounts using agreed-upon final values where applicable.

9. [REDACTED] Transportation [REDACTED]

The terms and conditions [REDACTED] transportation [REDACTED] shall be governed by Attachment 5.

10. Audit

The Parties reserve the right to review, in accordance with a mutually agreed to schedule, the account settlement processes and practices used by each in association with the acceptance, dispatching, recording, and accounting for the volumes exchanged under this Agreement. Notwithstanding the foregoing, each Party reserves the right to restrict access to information it deems to be commercially-sensitive, except as specifically set forth elsewhere in this Agreement, including in Attachments 4 and 6.

11. Meetings

(a) The Parties shall hold an annual meeting during each calendar year of the Term. At each annual meeting, the Parties will discuss and review the following:

- (i) the services being provided and any adjustments required;
- (ii) the addition or deletion of any services;
- (iii) implementation of plans outlined in the Agreement;
- (iv) general compliance with this Agreement; and
- (v) any rate adjustments proposed by either Party.

(b) In addition, the Parties may hold *ad hoc* meetings as required to deal with specific issues.

(c) The Parties agree to hold meetings on operational and accounting issues at least three times a year, with operational and accounting representatives of both Parties present.

12. Confidentiality

(a) Confidential information shared in connection with this Agreement is subject to the confidentiality and privacy protection provisions that are set out in Attachment 6 of this Agreement.

(b) The Parties, through the USPS Chief Privacy and Records Management Officer and [REDACTED], respectively (each being

the Party in question's "Privacy Representative") shall keep each other apprised of significant changes in the administration of records that contain confidential personally identifiable information (PII) that pertains to individual customers of international mail and the content of those records. In particular, each Party's Privacy Representative shall advise the other of any significant changes in connection with the following:

- (i) the purposes for which the other Party may use records that contain PII that pertains to individual customers of international mail;
 - (ii) the implementation of adequate information security measures to safeguard those records;
 - (iii) measures to segregate those records;
 - (iv) the time period for which those records may be retained; and
 - (v) the manner in which that information is to be destroyed or disposed of when the relevant time period for retention has expired.
- (c) If after having received information of a change under clause (b) the receiving Privacy Representative has a concern, the other Privacy Representative shall give due consideration to the receiving Privacy Representative's concerns with the objective, to the extent possible, of resolving the concern to the mutual satisfaction of both Parties.

13. Procedure Respecting USPS Postal Regulatory Commission Filings

(a) The USPS represents that as part of its legislated requirement to secure Commission's advance review of this Agreement and in other subsequent regulatory filings, the USPS is required to file this Agreement and supporting documentation with the PRC in a docketed proceeding. Given that this Agreement contains [REDACTED], the disclosure of which could cause [REDACTED], the USPS shall, prior to filing any part of this Agreement with the PRC or any redacted version of any part of this Agreement, [REDACTED] with the objective of achieving consensus between the Parties with respect to the scope of what the USPS will file, particularly:

- (i) the parts of the Agreement that are to be identified as non-public and claimed as exempt from disclosure;
 - (ii) the placement of any redactions that are to appear in place of the parts identified as non-public; and
 - (iii) the wording that the USPS proposes to use in its applications for non-public treatment of the materials claimed as exempt from disclosure.
- (b) [REDACTED] understands that any unredacted portion of the Agreement and any redactions and supporting information will be available on the PRC's public website, www.prc.gov. In addition, the USPS is required to file other information in connection with this Agreement (including the USPS's revenue, the USPS's cost, or the USPS's volume data) in other PRC dockets, including under the Commission docket numbers for the Annual Compliance Report (ACR) for the USPS fiscal year(s) in which the Agreement is in effect. Each ACR docket has a distinct docket number, such as ACR202#, in which ACR202# signifies the USPS fiscal year to which the ACR pertains. For filings in PRC dockets, the Parties agree that the provisions of clause (a) shall be read with the objective of the Parties always reaching a consensus with respect to the parts of the material to be filed that are to be identified as non-public and the wording of any redactions and submissions.
- (c) Notwithstanding paragraphs (a) and (b), the USPS shall continue the redaction of or public disclosure of information connected to this Agreement in "Routine Filings" consistent with its

practice of such filings in the period from 2009-the present. In such Routine Filings, the notice and consultations requirements of paragraphs (a), (b), and (d) shall not apply. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(d) The USPS agrees [REDACTED] all times maintains the right, in accordance with the PRC's rules, to [REDACTED] concerns directly with the PRC. The procedure for making an application to the PRC for non-public treatment of materials believed to be protected from disclosure is published Title 39, U.S. Code of Federal Regulations, Part 3011, including Sections 3011.201 and 3011.204. The procedure is also available on the Commission's website. With the exception of the matters identified in clause (c) above, the USPS will [REDACTED] timely notice of the docket numbers of all PRC proceedings in which the USPS has a filing requirement that may involve disclosure to the PRC of sensitive matters related to this Agreement or other confidential [REDACTED].

(e) Without limiting the generality of the other clauses of this Article, the USPS represents that one aspect of its filing requirements is to give notice to the PRC as to which parts of the Agreement are to be added to the competitive products list and which are to be added to the market dominant products list. In this regard, both Parties acknowledge that what may be identified as competitive products and what may be identified as market dominant products in any filing with the PRC are so identified with respect to the U.S.A. market only and would not necessarily have the same classification in the [REDACTED] market.

(f) [REDACTED] acknowledges that USPS shall furnish an unredacted copy of this Agreement to the U.S. Department of State with a request that the unredacted copy be treated as sensitive and non-public. USPS may also be required by law to provide redacted and/or unredacted copies of the Agreement other United States government entities exercising their oversight, law enforcement, or regulatory jurisdiction; to the extent that USPS provides unredacted copies of the Agreement, USPS shall provide [REDACTED] with advance notice of such disclosures and shall request that the unredacted copies be treated as sensitive and non-public.

14. Dispute Resolution Process

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

15. Temporary Suspension of Service

Except for payment obligations, neither Party shall be liable for temporary suspension of services, delays, or inability to perform due to causes outside of its reasonable control including, but not limited to, acts of God, natural disasters, or labour disruptions. On-Time and Scanning Pay-for-Performance objectives and penalties shall, however, be adjusted to take account of the temporary service suspensions, delays or inability to perform due to causes outside a Party's reasonable control.

16. Assignment

Neither Party may assign this Agreement without the prior written consent of the other Party.

17. Waiver

(a) No delay or omission by either Party to exercise any right or power accruing upon any non-compliance or default by the other Party with respect to any of the terms of this Agreement shall be construed as a waiver of such non-compliance or default.

(b) A waiver by either of the Parties of any breach of the terms of this Agreement shall not be construed to be a waiver of any preceding or succeeding breach.

(c) A Party shall not be deemed to have waived any matter under this Agreement unless that Party has given the other Party a written notice that the first-mentioned Party has waived the matter in question.

18. Conditions Precedent

(a) At the time of signing this Agreement, [REDACTED] warrants that it has obtained all necessary approvals for the comprehensive package of rates set out in this Agreement.

(b) The Parties acknowledge and understand that all obligations of the USPS under this Agreement shall be contingent on the USPS receiving all necessary regulatory reviews required for ratemaking, including favorable reviews or approvals, and/or non-objection, from one or more internal and external bodies that have oversight responsibilities (hereinafter "Conditions Precedent"), and such reviews may apply to certain mail flows after the Effective Date of this Agreement set forth in Article 21. Conditions Precedent may include but are not limited to: favorable reviews, approvals or, if applicable, non-objection, from USPS senior management, the Governors of the USPS, the Board of Governors of the USPS, and the Commission. At the time of signing this Agreement, the USPS represents and warrants that the only Conditions Precedent remaining to be fulfilled on its side are the rate approvals required from the PRC for [REDACTED].

(c) The Parties acknowledge that the Agreement or rates in connection with certain flows might not be approved by the PRC. Until such time as the Conditions Precedent are fulfilled that are necessary to provide the products or services contemplated under the Agreement, no obligation shall exist for the USPS [REDACTED] benefit or rights granted through this Agreement or portion thereof, as appropriate, shall inure to either Party unless and until the Conditions Precedent shall have been fulfilled.

(d) In the event that the Conditions Precedent are not fulfilled, the USPS [REDACTED] have no liability, which shall include no obligation to pay costs associated with any action taken [REDACTED] to the fulfilment of Conditions Precedent. Further, in the event of the failure of any Condition Precedent, neither Party shall be held liable for any damages including, without limitation, the following: actual damages; special damages; indirect damages; incidental damages; punitive damages; consequential damages; or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any cost incurred by either Party attributable to such non-approval such as attorney's fees.

19. Effect of Partial Invalidity

The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the Parties agree that the remaining provisions shall be deemed to be in full force and effect.

20. Notices

(a) The Modified Agreement on the International Exchange of EMS Items between the U.S. Postal Service and [REDACTED], and any other services for which a specific agreement setting out its own terms and conditions is added to this Agreement as an attachment, notices, requests, or other communications with respect to the specific agreement and the services provided under it shall be given in accordance with the terms and conditions of the relevant attachment without reference to any aspect of the notice provisions that are set out here in the body of this Agreement. All other notices, requests, or other communications required or permitted to be given under this Agreement ("Notices") shall, unless otherwise specifically provided for in this Agreement, be given in writing in accordance with clause (b).

(b) Notices may be:

- (i) personally delivered,
- (ii) sent by EMS, or email, or
- (iii) sent by facsimile to a number provided in each Party's entry in the Universal Postal Union (UPU) List of Addresses

to each of the Parties at its respective address as follows:

to United States Postal Service,

ROBERT H. RAINES, JR
MANAGING DIRECTOR
GLOBAL BUSINESS
475 L'ENFANT PLAZA SW ROOM 5012
WASHINGTON DC 20260-0004
USA
robert.h.rainesjr@usps.gov

and to [REDACTED],



and to such other individuals or addresses of which the Parties may advise the other by Notices from time to time.

(c) Any Notice sent by facsimile shall be deemed to have been received by the Party to whom it was addressed on the day following the day on which it was sent.

(d) Either Party may change its address for Notice to another address by Notice to the other Party given in accordance with clause (b). All addresses for Notice must be addresses to which Notices can be personally delivered.

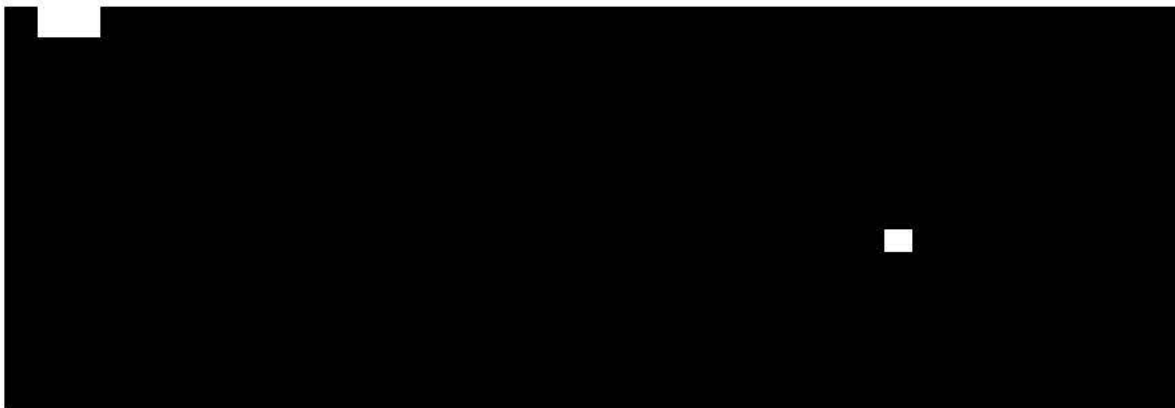
21. Term

(a) The intended Effective Date for the [REDACTED] rates and the [REDACTED] rates in this Agreement shall be July 1, 2020, subject to Article 18. This Agreement and its Attachments shall bind the Parties for the period beginning on the intended Effective Date and ending on December 31, 2021 (the "Term"), unless terminated earlier in accordance with Article 22. Notwithstanding the intended Effective Date, upon the later date of both Parties' signatures, the Parties shall perform the steps necessary for approvals of the Agreement under Articles 13 and 18, and shall further preserve confidentiality under the terms required by Article 12 and Attachment 6, even if such approvals are not obtained.

(b) USPS will inform [REDACTED] once the Commission has completed its review of the [REDACTED] rates, which may occur on different dates for [REDACTED] market dominant and competitive rates.

22. Termination

(a) Subject to clause (b), either Party may terminate this Agreement without cause upon at least 90 days' written notice to the other Party. However, if this Agreement is terminated under the preceding sentence, each of the specific agreements that are attached to this Agreement shall be deemed to be unaffected by such termination, to the extent that those agreements contain an express method of termination. Each of the specific agreements that are attached to this Agreement may be terminated only in accordance with the terms and conditions of that specific agreement.



[REDACTED]

23. Negotiated Commercial Arrangement

Each of the Parties acknowledges that this Agreement sets out the terms and conditions of a negotiated commercial arrangement between the Parties and is not an agreement entered into or subject to international law. This Agreement is binding only on the United States Postal Service and on [REDACTED].

Nothing in this Agreement shall be deemed to create, either express or implied, the power in either Party to bind the other. Neither Party shall be bound by the actions of the other, be liable for the debts of the other, or have a right to share in the profits of the other. This Agreement is not intended to be a joint venture, partnership, or other formal business organization, and neither Party is under any obligation to enter into any further agreement with, or make any additional compensation to, the other Party.

24. [REDACTED]

25. Application of the *Universal Postal Convention*

For the period during which both Parties' governments are signatories to the *Universal Postal Convention*, the performance of the Parties under the *Universal Postal Convention* remain in effect except to the extent that this Agreement defines other terms and conditions or arrangements between the Parties, in which case this Agreement shall take precedence.

26. [REDACTED]

27. Previous Bilateral Agreement Superseded

[REDACTED]

28. Entire Agreement

(a) This Agreement, including the Attachments listed in clause (b) and any other document or portion of a document that is expressly incorporated into this Agreement by reference, constitutes the entire umbrella agreement between the Parties for the exchange of International Products and Services, and no representations, negotiations, or conditions either oral or written shall bind the Parties except as expressly set out in this Agreement.

(b) The Attachments to this Agreement as of the signing date are as follows:
Attachment 1 - Rates

Attachment 2 - Scanning and On-Time Quality of Service Measurement and Pay-for-Performance
Attachment 3 - Modified Agreement On The International Exchange of EMS Items between The U.S. Postal Service and [REDACTED]
Attachment 4 - Advance Electronic Data Requirements
Attachment 5 - [REDACTED] Transportation and Operations Initiatives
Attachment 6 - Confidentiality Provisions
Attachment 7 - Strategic Initiatives
Attachment 8 - Agreement on the Settlement of Tracked Packets Between The U.S. Postal Service and [REDACTED]
Attachment 9 - Customer Service
Attachment 10 - Importer of Record Number for Importers

(c) Subject to Article 13, the entire Agreement, or portions thereof, will be filed with the Commission with a notice to add it to the competitive and/or market dominant products lists.

(d) Except as set forth in Article 27, nothing in this Agreement is intended to derogate from the obligations under other effective agreements to which both Parties are also signatories. Such agreements include, but are not limited to, [REDACTED]

[REDACTED] Except as set forth in subsection (e), to any extent any such other agreements are construed as inconsistent with the terms of this Agreement (including its Attachments), the terms of this Agreement shall govern.

(e) During the time period when both this Agreement as well as the [REDACTED] in effect between the Parties, their terms shall be applied in the following order of precedence when interpreting them in the case of any doubt, ambiguity, conflict, or dispute:

1. The terms of Attachment 4 to this Agreement.
2. [REDACTED]
3. The terms of this Agreement, including its Attachments except for Attachment 4.

29. Amendments to this Agreement

(a) This Agreement may be amended, or extended, only by mutual written agreement signed by authorized representatives of [REDACTED] and the United States Postal Service.

(b) Any amendments may be contingent upon each Party obtaining not only its own executive or board approvals, but also approvals or non-objections from governmental bodies that have oversight responsibility. Each of the Parties shall attempt to obtain all such approvals prior to signing any amendment; to the extent either of them has not been able to do so, however, the amendment shall describe the approvals that have not yet been obtained and provide that the amendment will not become effective until such time as all required approvals have been given.

This Agreement is made in duplicate between:

United States Postal Service

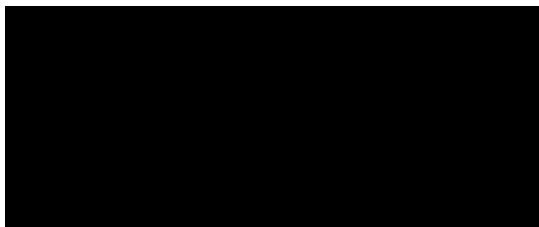


Signature

**Robert H. Raines, Jr.
Managing Director, Global Business**

May 15th 2020

Date



Signature



May 14th 2020

Date



TABLE OF CONTENTS

1.	DEFINITIONS	1
2.	PURPOSES OF THIS AGREEMENT	1
3.	GUIDING PRINCIPLES OF THE AGREEMENT	2
4.	QUALITY OF SERVICE	2
5.	RATES	2
6.	TERMS FOR THE DELIVERY OF EMS ITEMS.....	2
7.	TERMS FOR ELECTRONIC ADVANCE DATA EXCHANGE.....	3
8.	SETTLEMENT PRINCIPLES	3
9.	TRANSPORTATION	3
10.	AUDIT	3
11.	MEETINGS	3
12.	CONFIDENTIALITY	3
13.	PROCEDURE RESPECTING USPS POSTAL REGULATORY COMMISSION FILINGS.....	4
14.	DISPUTE RESOLUTION PROCESS.....	5
15.	TEMPORARY SUSPENSION OF SERVICE.....	6
16.	ASSIGNMENT	6
17.	WAIVER	6
18.	CONDITIONS PRECEDENT	6
19.	EFFECT OF PARTIAL INVALIDITY.....	7
20.	NOTICES	7
21.	TERM	8
22.	TERMINATION	8
23.	NEGOTIATED COMMERCIAL ARRANGEMENT.....	9
24.	9
25.	APPLICATION OF THE <i>UNIVERSAL POSTAL CONVENTION</i>	9
26.	9
27.	PREVIOUS BILATERAL AGREEMENT SUPERSEDED.....	9
28.	ENTIRE AGREEMENT	9
29.	AMENDMENTS TO THIS AGREEMENT.....	10

ATTACHMENT 1 RATES

Rates for the Contractual Bilateral Agreement between [REDACTED] and the United States Postal Service

The terminal dues rates listed in the tables below are product stream rates per item and per kilogram stated in Special Drawing Rights (SDRs) unless noted otherwise. The rates are set on the conditions that current work sharing arrangements between the Parties are substantially maintained. Any changes to current work sharing (i.e., sortation and preparation) arrangements will be subject to negotiation and mutual agreement between the Parties first being reached including, but not limited to, agreement as to any impact on pricing.

July 1, 2020 – December 31, 2021 **Rates**

Rates

Service	Stream	Period 1 Rates (July 1, 2020 - December 31, 2020)		Period 2 Rates (January 1, 2021 - December 31, 2021)	
		item	kg	item	kg
Non-Tracked Letter Post*					
Tracked Letter Post					
Parcel					
Express Mail Service (EMS)					
	EMS Bag				
	EMS Container				
	EMS Flat Tray				
	EMS Bag				
	EMS Container				
	EMS				
	EMS				

Service	Stream	Period 1 Rates (July 1, 2020 - December 31, 2020)		Period 2 Rates (January 1, 2021 - December 31, 2021)	
		item	kg	item	kg
Non-Tracked Letter Post*					
Tracked Letter Post					
Parcel					
Express Mail Service (EMS)					
EMS Bag					
EMS Container					
EMS Flat Tray					
EMS Bag**					
EMS Container**					

July 1, 2020 – December 31, 2021 **Rates**



Rates

Service	Stream	UPU Format	Period 1 Rates (July 1, 2020 - December 31, 2020)		Period 2 Rates (January 1, 2021 - December 31, 2021)	
			item	kg	item	kg
Non-Tracked Letter Post*						
Priority Letter Tray						
Priority Flat Tray						
Priority M-Bag						
IPA Letter Tray						
IPA Flat Tray						
SAL Letter Tray						
SAL Flat Tray						
SAL M-Bag						
Non Billable Services						
Empty Equipment						
Return to Sender - Letter Post						
Return to Sender - Parcel						

Service	Stream	UPU Format	Period 1 Rates (July 1, 2020 - December 31, 2020)		Period 2 Rates (January 1, 2021 - December 31, 2021)	
			item	kg	item	kg
Non-Tracked Letter Post*						
Priority Letter Tray						
Priority Flat Tray						
Priority M-Bag						
IPA Letter Tray						
IPA Flat Tray						
Non-Priority Flat Tray						
Non-Priority Large Container (Flat Tray)						
Non-Priority M-Bag						
Non Billable Services						
Empty Equipment						
Return to Sender - EMS						

Specifications of Mail Product Categories and Formats

The rates for the stream categories above shall be based upon the following format and product definitions:

Letters	Any piece which has: <ul style="list-style-type: none">- a length less than or equal to 292 mm (11 1/2 inches);- a width less than or equal to 155 mm (6 1/8 inches);- a thickness not less than 0.1778 m (0.007 inch) thickness, or not more than 6 mm (1/4 inch); and- which has a weight of less than or equal to 2 kilograms (3.5 ounces for USPS).
Flats	Any piece exceeding any one of the maximum limits for a Letter and which has: <ul style="list-style-type: none">- a length less than or equal to 381 mm (15 inches);- a width less than or equal to 292 mm (12 inches);- a thickness less than or equal to 20 mm (3/4 inch); and- and which has a weight of less than or equal to 2 kilograms.
Packets	Any piece exceeding any of the maximum size limits for a Flat, but within the maximum size limits as set forth in the Universal Postal Convention Regulations Articles 17-102 through 17-105 and which has a weight of less than or equal to 2 kilograms.
Parcels	Any piece corresponding to size limits as set forth in the Universal Postal Convention Regulations Article 17-204 and which has a weight of less than or equal to 30 kilograms.
M-Bags	Printed matter in a direct sack to a single foreign address, subject to the Reservations of [REDACTED] and the United States of America in Universal Postal Union Article R XVI, which has a weight less than or equal to 30 kilograms.
Registered Mail	Any piece that meets the size and weight dimensions of Letters, Flats, or Packets and bears a Registered label on the mail piece.
EMS	See Attachment 3.
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
(Priority Mail)	All air parcels corresponding to size limits as set forth in the Universal Postal Convention Regulations Article 17-204 and which have a weight of less than or equal to 30 kilograms.
Tracked	Any piece that meets the size and weight dimensions of Letters, Flats, or Packets, requires tracking, and bears an item barcode with a prefix of "L" for tracked letter post. Except as otherwise provided in this Agreement, for performance of tracking service for letter post under this Agreement, the Parties shall provide tracking as if they had both elected to furnish tracking service under the Universal Postal Convention and its Regulations and applicable Standards, including but not limited to the UPU S10 manual, except that remuneration for letter post tracked items shall not be changed from the charges specified in this Agreement. For shipments destined to the United States, [REDACTED] to use a special label that meets USPS specifications as furnished by USPS.

ATTACHMENT 2 SCANNING AND ON-TIME QUALITY OF SERVICE MEASUREMENT AND PAY-FOR-PERFORMANCE

A. OBJECTIVES:

1. Provide incentives to encourage competitive levels of customer visibility for scanning of USPS [REDACTED] products and [REDACTED] products.
2. Agree on scanning performance targets/thresholds, data sources, measurement systems, validation methodology, and financial impacts for Pay-for-Performance incentive arrangements for each Party's products.
3. Provide incentives to encourage competitive levels of on-time service performance for delivery of USPS [REDACTED] products and [REDACTED] products.
4. Agree to on-time delivery performance targets/thresholds, data sources, measurement systems, validation methodology, and financial impacts for Pay-for-Performance incentive arrangements for each Party's products.
5. Both Parties agree that they will provide comparable treatment to each other in the receipt, processing and delivery of postal traffic to that provided by each Party to similar postal traffic from other postal administrations.
6. Both Parties agree that they will use best efforts to unload, receive, process and deliver inbound international mail in accordance with operating plans for such international inbound mail.

B. LETTER POST

General Framework for Measurement and Compensation

The general framework for measurement and compensation of Letter Post products will be the UPU level [REDACTED]

Product streams covered

1. [REDACTED] Non-Tracked streams set at UPU Letter Post rates, excluding M-Bags and Registered Mail, [REDACTED]

2. [REDACTED]

[REDACTED]

Measurement of On-time Delivery

Measurement of on-time delivery of product in these streams will be based on the [REDACTED] test pieces included in the [REDACTED].

The delivery standards to be applied will also be those in effect for each of the Parties in the [REDACTED].

[REDACTED]

Measurement of on-time delivery service performance for purposes of this Agreement will be limited to product actually sent from the USPS to [REDACTED], or from [REDACTED] to the USPS. [REDACTED]

Quality of Service Pay-for-Performance Financial Elements

Compensation for each year will be based in general on the application of the [REDACTED] compensation formula in effect for that year.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

C. EMS

General Framework for Measurement and Compensation

The general framework for measurement and compensation of EMS products will be based, in principle, except as provided for in the Determination of Penalties section below, on that laid out in the EMS Cooperative document known as "Pay-for-performance Plan" for 2020 in place for the duration of this Agreement and in the Modified Agreement on the International Exchange of EMS Items between the United States Postal Service and [REDACTED] in Attachment 3.

Product streams covered

1. [REDACTED] EMS (also known as the USPS product called Priority Mail Express International)
2. [REDACTED] EMS (also known as the [REDACTED] product called [REDACTED] documents and merchandise)

Measurement of Scan Performance

Measurement of scan performance will follow the methods of the EMS Cooperative for arrival scanning and for delivery scanning.

Measurement of On-time Delivery

Measurement of on-time delivery and on-time transmission of delivery scan data will follow the methods of the EMS Cooperative.

The delivery standards to be applied will also be those in effect for each of the Parties with the EMS Cooperative.

However, the Parties may agree to include additional offices for acceptance of inbound product without formal amendment of this Section C of Attachment 2. In this case, associated delivery standards information, LAT/CETs, etc., must be reported to either the EMS Cooperative or IPC as appropriate to support the complete tracking of this product.

Either Party, in the event of a change to its domestic network structure, or delivery standards, will submit updated standards, LATs and/or CETs to the UPU International Bureau and to IPC. These updates to standards, LATs and / or CETs, once validated by the EMS Cooperative or as agreed to [REDACTED] and USPS, will amend the standards, LATs and or CETs on file with and used by IPC to calculate on-time delivery performance and measurement.

Quality of Service Pay-for-Performance Financial Elements

Pay-for-Performance compensation for each year will be based in general on the application of the EMS plan referenced above.

Determination of Penalties

The following text will modify the general application of "EMS Pay-for-Performance Plan 2020" Article 4, paragraphs g through i:

Penalty values for settlement purposes for each stream ([REDACTED]) will be determined on a quarterly basis as follows:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

D. Air Parcel Products

General Framework for Measurement and Compensation

Given that the Parties wish to have relatively customized performance measurement arrangements in place for these products, there will not be a general framework based on any existing multilateral third-party performance plan. However, to the extent that this attachment is silent on a particular matter of interest, the Parties may jointly agree in writing, but without formal amendment of this Annex, to apply measures already in place at the UPU level for Parcel services in such instances or to pursue third-party measurement options.

Product streams covered

1. [REDACTED] Parcels (also known as the USPS product called Priority Mail International)
2. [REDACTED] Parcels (also known as the [REDACTED] called [REDACTED])

Measurement of Scan Performance

Basis for measurement

Scan performance for Air Parcel products will be measured based on [REDACTED] Parcel anomalies agreed on as a basis for measurement performed during 2020-2021 will be maintained in this agreement and excluded from the population being measured.

Scan Bar-code Label Prefixes

Scan performance for these barcoded products will be measured based on the population of items for each product using product-specific prefixes on barcodes as listed below:

Product	Product Specific Prefixes on Barcodes
---------	---------------------------------------

[REDACTED]	[REDACTED]
------------	------------

Exclusion of Return to Sender items

Measurement reports will be designed to ensure the exclusion of Return to Sender (undeliverable, refused, unclaimed) items or such other items as are not in conformity with the bar-coding prefixes described above.

Minimum data transmission quality expectations

The sending Party must transmit [REDACTED], failing which the financial elements as described below for that product stream will not be applied for that quarter.

Performance reporting frequency

Performance reports will be produced on a monthly basis to support diagnostic activity and to support pay-for-performance. However, as noted later, pay-for-performance penalties will be determined on a quarterly basis, and quarterly reports will be used to support this activity.

Cut-off time interval for inclusion of delivery scan data in the measurement reports

In light of the requirement to match delivery scan data to its associated arrival or dispatch scan data, the measurement reports will be designed to provide for inclusion of delivery scans for up to 30 days after the corresponding dispatch scan for the same item.

Right to retransmit scan event data

Upon discovery of a failure to successfully transmit scan event data to the proper location (mail box) for use in measurement reporting, a Party may, with notice to the other Party, re-transmit the missing or incorrect scan event data. The Parties have up to 30 days after the issuance of the associated monthly performance measurement report to discover any such failure and to file notice with the other Party, after which such re-transmission will no longer be permitted.

Diagnostic measurement and reporting frequency

For this bilateral, commencing July 1, 2020, the Parties may arrange for the provision of third party performance measurement, or use mutually agreed data as a base for the calculation of scanning and on-time performance.

Financial Elements for Scan Quality Pay-for-Performance

Pay-for-Performance measurement and reporting frequency

Calculation of measurement and production of reports shall be performed using mutually agreed upon data or by a mutually agreed upon third party at a mutually agreed frequency and schedule.

Target threshold to be met

For each of the products, the scan target threshold to be met each quarter is [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Measurement of On-time Delivery

Basis for measurement

On-time delivery performance will continue to be measured for these products based on the proportion of items which [REDACTED]

[REDACTED] subject to any exclusions indicated below.

Delivery Standards and LAT/CETs to be applied

In principle, once published by the UPU, the parcel delivery standards to be applied (including Latest Arrival Times (LATs) and/or Critical Entry Times (CETs)) shall be provided to each Party, and also provided to the mutually agreed upon third party vendor for its third party performance measurement and calculations.

Should a situation arise where either Party does not have UPU level delivery standards for a particular agreed-upon new point of entry, then delivery standards corresponding to that point of entry will be validated according to a process to be agreed upon by the Parties when it is needed.

Either Party, in the event of a change to its domestic network structure and/or delivery standards, will submit updated standards, including in instances of Force Majeure, LATs and/or CETs to the UPU International Bureau, to the mutually agreed upon third party vendor, and to the other Party. These updates to standards, LATs and/or CETs will change the standards, LATs and or CETs on file with and used by the mutually agreed upon third party vendor to calculate on-time delivery performance and measurement, without the need to formally amend this Annex.

In the event of a change to its domestic network structure and/or delivery standards, either Party can submit its updated standards, LATs and/or CETs to the other Party and to the third party vendor at any time using the notification process described here. The change will take effect on performance measurements starting the first day of the next quarter following such notice. However, to allow the third party vendor sufficient time for amending its measurement systems, the Parties agree to provide a minimum of two weeks advance notification prior to the start of the new quarter in which these updated standards, LATs and / or CETs would take effect.

Stopping the Clock While in Customs

The principles to be applied for stopping the clock for time in Customs are as follows:

[REDACTED]

Accommodations for Force Majeure

The principles and accommodations to be applied to force majeure will be the same

[REDACTED]

[REDACTED]

Stopping the Clock for Non-Operating Days

[REDACTED] will be used as bases to stop the clock for measurement and the validation of delivery standards and calculation of on-time delivery.

Exclusion of Remote Locations

The Parties will agree a set of "remote location" postal codes/ZIP Codes for which measurement of on-time performance will not occur, provided always that such lists represent [REDACTED] all postal codes/ZIP Codes otherwise being measured, and provided that such lists are supported by an explicit description of the rationale for exclusion (e.g., less-than-5(-or-6)-day delivery to this location).

Exclusion of Return to Sender Items

Measurement reports will be designed to ensure the exclusion of Return to Sender (undeliverable, refused, or unclaimed) items or such other items as are not in conformity with the barcoded prefixes described above.

Right to Retransmit Scan Event Data

Upon discovery of a failure to successfully transmit scan event data to the proper location (mail box) for use in measurement reporting, that Party may with notice to the other Party re-transmit the missing or incorrect scan event data. The Parties have up to 30 days after the issuance of the associated monthly Pay-for-Performance measurement report to discover any such failure and file notice with the other Party, after which such re-transmission will no longer be permitted.

Cut-Off Time Interval for Inclusion of Delivery Scan Data in the Measurement Reports

In light of the requirement to match delivery scan data to its associated arrival scan data, the measurement reports will be designed to provide for inclusion of delivery scans for up to 30 days after the corresponding dispatch scan for the same item.

[REDACTED]

[REDACTED]

On-Time Quality Pay-for-Performance Financial Elements

Pay-for-Performance Measurement and Reporting Frequency

The Parties will conclude at the earliest opportunity arrangements to refine and provide measurement reports for all of these same products on a quarterly frequency, starting with the period of July through September, 2020. The Parties will establish the deadlines for production of such reports, and the support that may be required in order to adhere to these deadlines.

Target Threshold to Be Met

For each of the products, the on-time target threshold to be met each quarter is [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Appendix “A” – Pay-For-Performance Table

2020 - 2021 [REDACTED]

Attachment 2, Appendix A

Scanning and On-Time Quality of Service and Pay for Performance

	EMS ([REDACTED])	Air Parcels / [REDACTED]	Letter Post ([REDACTED])
Pricing Elements	[REDACTED]		
Pricing Basis (Delivery Confirmation Bundling)			
Scanning Elements			
Included Scans			
Performance Target Threshold			
Measure			
Payment for items w/ missing scans and below threshold ("failures")			
On-Time Elements			
Categories Included			
Delivery Standards			
Holiday Exclusion Treatment			
Remote Location Treatment			
LAT / CETs			
Data Transmission Standards			
Performance Target Threshold			
Delivery time measure			
Payment for items late and below threshold ("failures")			
Reporting Elements			
Diagnostic Reporting Frequency			
P4P Calculation Frequency			
Invoicing Frequency			

[REDACTED]



ATTACHMENT 3

Modified Agreement On The International Exchange of EMS Items Between The U.S. Postal Service and [REDACTED]

Article 1: Purpose of the Agreement

The purpose of the Agreement shall be to establish mutually agreed terms and conditions for the exchange of EMS items between the United States Postal Service and [REDACTED] within the framework of the [REDACTED]-United States Postal Service Contractual Bilateral Agreement 2020-2021.

Article 2: Operation of the EMS service

The exchange of EMS items between the United States Postal Service and [REDACTED] shall take place in accordance with the terms of the EMS Cooperative's Standard Agreement and its Procedures, as adopted in 2019 and amended from time to time by the EMS Cooperative and as modified by the changes noted in the Table of Differences below. Nothing in this Agreement is intended to derogate from the obligations under other effective agreements to which both Parties are also signatories. Such agreements include, but are not limited to, [REDACTED] into which the Parties may enter each year.

Table of Differences – Differences applied and article references

<i>Article reference in the EMS Standard Agreement</i>	<i>Description of the agreed change related to the EMS Standard Agreement to be applied on a bilateral basis between the United States Postal Service and [REDACTED].</i>
Article 2 B	Replace the first sentence with the following: "EMS operator" means [REDACTED] or the United States Postal Service or any other entity designated by either of them to provide EMS service.
Article 2 H	Replace with the following: "EMS Pay-for-Performance Plan" means the Plan used by EMS Cooperative members to link quality of service with payment, as amended in this bilateral agreement and noted in [REDACTED]-United States Postal Service Contractual Bilateral Agreement 2020-2021, Attachment 2, Scanning and On-Time Quality of Service Measurement and Pay-for-Performance.
Article 3.3	Deleted.
Article 9	Deleted with article number reserved.
Article 18	Replace with the following: The rates to be applied for delivery of EMS items are set out in the [REDACTED]-United States Postal Service Contractual Bilateral Agreement 2020-2021, Attachment 1, Rates.
Article 19	Replace with the following: The procedure for settlement of accounts shall be as follows: (a) An invoice shall be prepared monthly by the delivery operator showing: I. the total number and weight of EMS items received; II. the charge payable per item and per kilogram in accordance with Article 18 of the Agreement; and III. the total charge payable.

	<p>(b) Consistent with the [REDACTED] settlement agreement, the invoice will be an electronic upload to the appropriate GXS mail box and will occur the Sunday following the second Saturday of the month and consist of an overall summary level (of all products), as well as Origin-Destination summary level. The Parties agree to explore the feasibility of transmitting electronically using AS2 connectivity via S/MIME over HTTP(S) transportation protocol.</p> <p>(c) After verifying the invoice, [REDACTED], the origin operator returns a copy with payment to the delivery operator. Should the origin operator wish to dispute the invoice, a copy of the invoice duly amended is to be returned to the delivery operator [REDACTED]. If the delivery operator disputes the amendments, it will confirm the actual data by sending data from the PREDESv2.1 records to the origin operator. If the delivery operator has not received notice of amendment or acceptance [REDACTED] the account is regarded as fully accepted.</p> <p>(d) Payment terms will be consistent with the [REDACTED] settlement process and shall be made [REDACTED] on a weekend or a holiday.</p>
Article 20.2	Replace with the following: EMS operators may collect from each other only the rates, charges, and fees provided for under this Agreement.
Article 22	Replace "required" with "authorized."
Article 25	Insert "and the origin operator" following the words "to the EMS Unit."
Article 27	Replace with the following: In accordance with Article 36-001 of the Universal Postal Convention Regulations, in cases not expressly provided for in this Agreement or its Procedures or in other portions of the [REDACTED]-United States Postal Service Contractual Bilateral Agreement 2020-2021, aspects of EMS are subject to the appropriate provisions of the Acts of the Universal Postal Union (UPU Acts). Notwithstanding such reference to the UPU Acts, this agreement remains a commercial agreement, not an agreement made under international law.
Article 30	Replace with the following: This Agreement and the corresponding EMS Cooperative Pay-for-Performance Plan, as modified by the provisions of the [REDACTED]-United States Postal Service Contractual Bilateral Agreement 2020-2021, Attachment 2, Scanning and On-Time Quality of Service Measurement and Pay-for-Performance, shall constitute the entire agreement between the United States Postal Service and [REDACTED] for the provision of this service. Any prior understanding or representation between them which precedes the date of this Agreement and concerns the provision of this service, with the exception of any agreements purporting to be executed under international law, shall not be binding upon either Party except to the extent incorporated in this Agreement or as necessary to conclude performance under former agreements between the Parties.
Article 31	Delete with article number reserved.
Article 32	Delete with article number reserved.
Article 33	Deleted.
Attachment 1	Deleted.

Attachment 2	Deleted.
Table and Signature Block	Replaced with this Attachment 3 of the [REDACTED]-United States Postal Service Contractual Bilateral Agreement 2020-2021.
Date of application	Replaced with Article 21 ("Term") of the [REDACTED]-United States Postal Service Contractual Bilateral Agreement 2020-2021.
Notice to EMS Unit	N/A

ATTACHMENT 4

Advance Electronic Data Requirements

For the purposes of clarity, Advance Electronic Data (AED) is defined by USPS to mean the exchange of ITMATT data mapped to the PREDES.

Subject to any additional or contrary requirements that may be imposed by the Parties' respective customs authorities or national laws, this Attachment 4 sets forth the requirements for the exchange of AED.

By the Effective Date of this Agreement, the Parties shall exchange a timeline showing how they will increase the transmission of AED. After December 31, 2020, the Parties may refuse any shipments lacking AED, unless a receiving Party determines in its sole discretion that an exception to its national laws applies.



Until the temporary suspension is withdrawn by the Party having provided the original notice, all items for which inbound and outbound bilaterally negotiated rates are set in Attachment 1 shall be subject to the rates and settlement under the UPU Convention and UPU Convention Regulations. In the event of such a suspension, then for tracked packets, the receiving Party's remuneration under the UPU Convention and UPU Convention Regulations shall be increased by the supplementary remuneration pursuant to Article 30-104.4.2 of the UPU Convention Regulations (or successor provisions) as if the Parties offered tracked items with the additional service features pursuant to paragraphs 2 and 3 of Article 30-104 of the UPU Convention Regulations (or successor provisions).

The Parties agree the following requirements apply to all bidirectional flows originating and destinating in the territories served by both Parties under this Agreement:

1. Each Party shall generate and transmit, [REDACTED], ITMATT v.1.5.0 (M33-11) or higher;
2. Each Party shall generate and transmit, [REDACTED], PREDES v2.1 (M41) or higher, with item to receptacle information and scheduled transportation information; and
3. Each Party shall generate for access by the other Party, [REDACTED], EMSEVT v.3 or higher, with acceptance event and departure from origin office of exchange event scans.

For the avoidance of doubt under this Agreement, data exchanged includes, but shall not necessarily be limited to the elements laid out in the M33-11 (or higher) standard.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PREDES Quality

The Parties agree to improve the quality and accuracy of PREDES messaging [REDACTED]

[REDACTED]

ITMATT Quality

The Parties agree to improve the quality and accuracy of ITMATT messaging [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Trusted Vendor Program

The Parties agree to work with their respective customs authorities to implement a "Trusted Mail Vendor" program for large volume commercial mailers providing ITMATT.

ATTACHMENT 5
TRANSPORTATION
AND OPERATIONS INITIATIVES

TRANSPORTATION

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

ATTACHMENT 6

CONFIDENTIALITY PROVISIONS

All references in these provisions to "this Agreement" shall mean the agreement to which these provisions are attached.

1. The Parties agree that the Agreement of which this Attachment forms a part contains Confidential Information as defined below. Further, the Parties agree that negotiations, including those related to the execution of a successor agreement, concerning modification or renewal of the rates, terms, and conditions that represent Confidential Information shall remain confidential and subject to the provisions of this Attachment. The Parties also agree that any personal information about an identifiable individual (including, but not limited to, the name and address of an individual), also referred to as Personally Identifiable Information (PII), provided to it by the other Party or obtained by the other Party in providing services under this Agreement is included within Confidential Information as defined below. For additional certainty, identifiable individuals include the customers of a Party and the individual employees of an entity that is a customer of a Party. With respect to all other information, the Parties agree that no obligations shall arise with respect to information not in writing and appropriately marked as "Protected", "Confidential", "Personal", "contains PII", "Proprietary," "Sensitive," or with a mark having a similar meaning. Each Party, as "Disclosing Party," further agrees that information disclosed under this Agreement or related to this Agreement shall be subject to these confidentiality provisions only if the Disclosing Party reduces it to a written document that is appropriately marked as "Protected", "Confidential", "Personal", "contains PII", "Proprietary," "Sensitive," or with wording having a similar meaning, and provided to the other Party, as "Receiving Party" either at the time of its initial disclosure or if disclosed orally, within ten (10) business days after the initial oral disclosure. All information so identified and disclosed (the "Confidential Information" or wording with similar meaning as described above) to a Party, as Receiving Party, shall be held in confidence by the Receiving Party and may not be released by the Receiving Party to third parties or used outside of the stated purposes of this Agreement, except to the extent paragraphs 5, 6, 7, 8, 9 and 10 of this Attachment are applicable, unless such disclosure or use is authorized in writing by an authorized representative of the Disclosing Party.

2. Each Party, as Receiving Party, agrees that the Confidential Information other than PII that the other Party discloses to it under this Agreement shall be held in confidence during the period that covers the Term of this Agreement and three (3) years thereafter. Each Party, as Receiving Party, agrees that the PII that the other Party discloses to it under this Agreement shall be held in confidence indefinitely or until the PII is returned to the Disclosing Party by the Receiving Party or destroyed or disposed of by the Receiving Party in accordance with paragraph 4. During the applicable retention period, neither Party, as Receiving Party, shall disclose or use the other Party's Confidential Information outside of the intended purposes of this Agreement unless written consent is first obtained from the Disclosing Party, or unless the Receiving Party is no longer obligated to hold in confidence the information for the reasons specified in paragraphs 5, 6 or 7. All employees, agents or consultants of a Party, as Receiving Party, who are required to come into contact with the other Party's Confidential Information shall be notified of its confidential nature and shall be required by the Receiving Party to be bound by confidentiality provisions applicable to this Agreement, but not necessarily expressly applicable, and no less stringent than those set out in this Agreement.

3. Each Party shall provide the same care to avoid unauthorized access, disclosure or use of the other Party's Confidential Information, as it would provide to maintain the confidentiality of its own confidential information, but in no event less than reasonable and prudent care. Each Party, as Receiving Party, agrees not to reproduce in any form or to distribute or sell, except as required in conjunction with the stated purposes of this Agreement, the Confidential Information of the other Party. Each Party shall retain the other Party's Confidential Information in a secure place that may be

accessed only by those of its employees, agents, and consultants who need to know such information to perform their jobs consistent with the purposes of this Agreement.

4. Upon demand by the Disclosing Party, the Receiving Party shall promptly return, or provide evidence of destruction or disposal of, all the Disclosing Party's Confidential Information and copies thereof except that one (1) copy may be retained for record purposes.

5. The Receiving Party shall be under no obligation to hold in confidence any Confidential Information that:

- a. is publicly available (other than as a result of a breach of this Agreement) at the time that the Receiving Party proposes to disclose it;
- b. was known to the Receiving Party prior to the time of the disclosure by the Disclosing Party;
- c. is properly received by the Receiving Party on a non-confidential basis from any third party with respect to whom the Receiving Party has no reason to suspect other than that the third party is lawfully entitled to make such disclosure;
- d. is required pursuant to the order of a court of competent jurisdiction (subject to paragraph 6), legislative body, or regulatory authority to be disclosed because of an express determination that the information is not a trade secret, or privileged or confidential commercial or financial information; or
- e. the Receiving Party can demonstrate was independently developed by it without breach of this Agreement.

6. If a court or tribunal of competent jurisdiction orders the Receiving Party to disclose any of the Disclosing Party's Confidential Information, including that which may be contained in this Agreement, then the Receiving Party shall immediately notify the Disclosing Party. If the Disclosing Party elects to oppose such order, the Disclosing Party shall immediately inform the Receiving Party by notice to that effect. If the Disclosing Party so requests, the Receiving Party shall assist the Disclosing Party in opposing such order to the extent consistent with its management's policies. Where it is not consistent with the Receiving Party's management policies to oppose such order, Receiving Party shall inform Disclosing Party by notice to that effect and consult with Disclosing Party before making a final decision with respect to opposing the order. If the Disclosing Party elects at any time to abandon its active opposition to such order, the Disclosing Party shall immediately inform the Receiving Party by notice to this effect and the exception set out in paragraph 5(d) shall, from the time of receipt of such notice, take effect.

7. The Receiving Party may release Confidential Information, including that which may be contained in this Agreement, requested by or required to be provided by the rules of any federal, state, provincial or local government body in the proper exercise of any oversight or investigatory jurisdiction or other authority, including, but not limited to, customs and law enforcement authorities. However, in all such circumstances, the Receiving Party shall advise the body to whom the Confidential Information is to be released by notice in writing that it is Confidential Information and accordingly it should be held in confidence.

8. The USPS may release Confidential Information if such release is required by the *Freedom of Information Act*, 5 U.S.C. § 552 ("FOIA"). Before any release under FOIA, the USPS will provide [REDACTED] with prompt written notice of the requirement to release the Confidential Information. If any request is made under FOIA that would involve potential release of any Confidential Information of [REDACTED] that is in the USPS' possession, the USPS shall:

- a. assert the applicability of Exemption 4, Trade Secrets and Privileged or Confidential Commercial or Financial Information Obtained by Agency From Any Person, or such other relevant FOIA Exemption as the USPS deems appropriate, to the extent the invocation of any Exemption is consistent with U.S. federal law, and
- b. promptly advise [REDACTED] of any information it requires from [REDACTED] in order to support the Exemption argument(s).

However, nothing in this Article is intended to limit the USPS' obligations under FOIA and the USPS' regulations implementing FOIA, including the USPS' discretion to determine whether the requested information is required to be released under FOIA. In addition, nothing in this Article is intended to modify USPS' rules in Title 39, Code of Federal Regulations, section 265.7, Confidential commercial information obtained from submitters, concerning procedures to be followed when responding to FOIA requests for business information received from parties outside the USPS. In the event that the USPS or a competent judicial body determines that Confidential Information in question or any part of it is not exempt from release under FOIA, the USPS shall also promptly advise [REDACTED] of that decision.

9. [REDACTED] may release Confidential Information if such release is required by the [REDACTED]. Before any release under the [REDACTED] will provide the USPS with prompt written notice of the requirement to release the Confidential Information. If any request is made under the [REDACTED] that would involve potential release of any Confidential Information of the USPS that is in [REDACTED] possession, [REDACTED] shall:

- a. assert the applicability of [REDACTED] or such other [REDACTED] deems appropriate, to the extent the invocation of any [REDACTED] is consistent with [REDACTED], and
- b. promptly advise the USPS of any information it requires from the USPS in order to support the [REDACTED] argument(s).

However, nothing in this Article is intended to limit [REDACTED] obligations under the [REDACTED] and its regulations, including [REDACTED] discretion to determine whether the requested information is required to be released under the [REDACTED]. In the event that [REDACTED] or a competent judicial body determines that Confidential Information in question or any part of it is not exempt from release under the [REDACTED] shall also promptly advise the USPS of the steps that [REDACTED] itself would take in similar circumstances to prevent further disclosure of the Confidential Information beyond the required disclosure under the [REDACTED].

10. Each Party, as Receiving Party, shall observe confidentiality obligations, no less stringent than those set out in this Agreement, in each sub agreement under which there is any possibility of disclosure of the other Party's Confidential Information.

11. [REDACTED] and the USPS shall protect, indemnify, save harmless, and defend each other from and against all losses, liabilities, obligations, claims, penalties, costs, and expenses (including, without limitation, reasonable attorneys' fees and expenses) resulting from the indemnifying Party's use of the other Party's Confidential Information for purposes other than those specified in this Agreement.

12. The Receiving Party shall not be obligated to compensate the Disclosing Party for Confidential Information and the Receiving Party acknowledges and understands that no representations or warranties of any kind, including, without limitation, fitness for a particular purpose, merchantability, and non-infringement, are given by the Disclosing Party with respect to the Disclosing Party's Confidential Information.

**ATTACHMENT 7
STRATEGIC INITIATIVES**

The Parties agree to work together with the aim to develop products to capture growth opportunities in the [REDACTED]

The Parties will target a small number of specific strategic initiatives that will be implemented or improved, if already developed, during the term of this Agreement. The Parties agree to form a team [REDACTED] to work on requirements to meet the Parties' mutual needs, devise a plan and timeline for the project according to the implementation targets agreed to below, followed by assessment, technical development, testing, and implementation.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

§ 87(2)(b) [REDACTED]
§ 87(2)(b) [REDACTED]
§ 87(2)(b) [REDACTED]
§ 87(2)(b) [REDACTED]
§ 87(2)(b) [REDACTED]
§ 87(2)(b) [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[illegible]

[REDACTED]

ATTACHMENT 9 CUSTOMER SERVICE

For Customer Service Support, the Parties agree to leverage capabilities and streamline processes in order to improve customer service. The Parties agree to offer service inquiry, support and enhancements for Parcels and Registered Mail services. These offerings are described below. Service inquiry and support for EMS is covered in Attachment 3 of this Agreement.

1. Customer Inquiry Support and Acceptance of Liability for Claims Related to the Loss, Damage and/or Missing Content

(a) The Parties agree to continue the practice between them as of the Effective Date of this Agreement for customer inquiry support and acceptance of liability for claims related to the loss, damage and/or missing content of articles. Under this practice, the administration of origin is responsible for, and undertakes the payment of indemnity for the loss, rifling, and damage of Parcels and Registered Items in accordance with its respective national laws and regulations.

(b) The Parties agree to continue to receive and respond to inquiries relating to Parcels and Registered Mail received by each other's administrations consistent with the mutually agreed upon practices and procedures developed and implemented between the Parties [REDACTED] using the Global Customer Service System (GCSS) modules within the IPC Global Customer Service System. The process and procedures to support an automated customer inquiry system are outlined below.

(i) Provision of Inquiry, Customer Service and Support Services for [REDACTED] Priority Mail International Parcels and Registered Mail.

Procedures are as follows; [REDACTED].

Procedures are as follows; [REDACTED].

[illegible]

[REDACTED]

ATTACHMENT 10
Importer of Record Number for Importers

[REDACTED]

[REDACTED]

[REDACTED]

DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON THE ESTABLISHMENT OF PRICES AND CLASSIFICATIONS FOR DOMESTIC COMPETITIVE AGREEMENTS, OUTBOUND INTERNATIONAL COMPETITIVE AGREEMENTS, INBOUND INTERNATIONAL COMPETITIVE AGREEMENTS, AND OTHER NON-PUBLISHED COMPETITIVE RATES (GOVERNORS' DECISION NO. 19-1)

February 7, 2019

STATEMENT OF EXPLANATION AND JUSTIFICATION

Pursuant to our authority under section 3632 of title 39, as amended by the Postal Accountability and Enhancement Act of 2006 ("PAEA"), we establish new prices not of general applicability for certain of the Postal Service's competitive service offerings, and such changes in classification as are necessary to implement the new prices.

This decision establishes new prices for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates. Domestic Competitive Agreements consist of negotiated service agreements with Postal Service customers for domestic services that are categorized as competitive in accordance with 39 U.S.C. § 3642(b)(1) (2). Outbound International Competitive Agreements consist of negotiated service agreements with Postal Service customers for outbound international services that are categorized as competitive in accordance with 39 U.S.C. § 3642(b)(1)-(2). Inbound International Competitive Agreements consist of negotiated service agreements with foreign postal operators or other entities for inbound international services that are categorized as competitive in accordance with 39 U.S.C. § 3642(b)(1)-(2). Other Non-Published Competitive Rates consist of rates not of general applicability that are not embodied in contractual instruments.

With respect to any product within the above categories, management is hereby authorized to prepare any necessary product description, including text for inclusion in the Mail Classification Schedule, and to make all necessary regulatory filings with the Postal

Regulatory Commission. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The Postal Accountability and Enhancement Act (PAEA) requires that prices for competitive products must cover each product's attributable costs, not result in subsidization by market dominant products, and enable all competitive products to contribute an appropriate share to the Postal Service's institutional costs. For agreements subject to this Decision, there are hereby established prices that will enable each agreement to cover [REDACTED] [REDACTED] costs for the relevant product and that conform in all other respects to 39 U.S.C. §§ 3632-3633 and 39 C.F.R. §§ 3015.5 and 3015.7. As discussed in the accompanying management analysis, the Chief Financial Officer (or his delegate(s)) shall certify that all cost inputs have been correctly identified for prices subject to this Decision and that all prices subject to this Decision conform to this Decision and to the requirements of the PAEA.

No agreement, grouping of functionally equivalent agreements, or other classification authorized pursuant to this Decision may go into effect unless it is submitted to the Postal Regulatory Commission with a notice that complies with 39 U.S.C. § 3632(b)(3). On a semi-annual basis, management shall furnish the Governors with a report on all non-published rate and classification initiatives, as specified in the accompanying Management Analysis. Not less than once each year, the Governors shall review the basis for this Decision and make such further determination as they may deem necessary. This Decision does not affect postal management's obligation to furnish to the Board of Governors information regarding any significant new program, policy, major modification, or initiative, or any other matter under 39 C.F.R. § 3.7(d), including where such a matter also falls within the scope of this Decision.

This Decision supersedes previous Governors' Decisions setting classifications and rates not of general applicability for competitive products; however, prices and classifications established under those Decisions may continue to be offered until the expiration of their terms, and contractual option periods and extension provisions that are included in the existing and future agreements can continue to be exercised.

ORDER

In accordance with the foregoing Decision of the Governors, the new prices and terms set forth herein for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates and the changes in classification necessary to implement those prices, are hereby approved and ordered into effect. An agreement or other nonpublished rate and classification initiative is authorized under this Decision only if the prices fall within this Decision and the certification process specified herein is followed. Prices and classification changes established pursuant to this Decision will take effect after filing with and completion of any necessary review by the Postal Regulatory Commission.

By The Governors:

A handwritten signature in cursive script, reading "Robert M. Duncan", is written over a solid horizontal line.

Robert M. Duncan

Chairman, Board of Governors

**UNITED STATES POSTAL SERVICE
OFFICE OF THE BOARD OF GOVERNORS**

**CERTIFICATION OF GOVERNORS' VOTE ON
GOVERNORS' DECISION NO. 19-1**

Consistent with 39 USC 3632(a), I hereby certify that the following Governors
voted in favor of Governors' Decision No. 19-1:

Robert M. Duncan
David C. Williams



Michael J. Elston
Secretary of the Board of Governors (A)

7 February 2019

Date

**Certification of Prices for Inbound Competitive Multi-Service Agreement
with [REDACTED]**

I, Nan K. McKenzie, Manager, Pricing Innovation, Finance Department, United States Postal Service, am familiar with the inbound competitive prices for the "[REDACTED] – United States Postal Service Contractual Bilateral Agreement" (referred to as the "[REDACTED] Agreement") executed in 2020. The prices contained in the [REDACTED] Agreement were established in accordance with the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-published Competitive Rates (Governors' Decision No. 19-1), issued on February 7, 2019.

I hereby certify that the cost coverage for the [REDACTED] Agreement has been appropriately determined and represents the best available information. The rates are in compliance with 39 U.S.C. § 3633(a)(1), (2), and (3). The rates demonstrate that the [REDACTED] Agreement should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from the [REDACTED] Agreement should be much smaller. The [REDACTED] Agreement should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Nan K.
McKenzie

Nan K. McKenzie

Digitally signed by Nan K. McKenzie
DN: cn=Nan K. McKenzie, o,
ou=Manager, Pricing Innovation,
email=nan.k.mckenzie@usps.gov,
c=US
Date: 2020.05.21 14:01:10 -04'00'

Date